

# Colorado Liquor Law Changes



**COLORADO**  
Department of Revenue

Enforcement Division - Liquor & Tobacco

Patrick Maroney, Director  
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# AGENDA

1 HB16-1439 - Lodging & Entertainment License

2 SB16-197 - Major changes to liquor law concerning off-premises sales of alcohol

3 Question and Answer Session

4 Examples



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# HB16-1439 LODGING & ENTERTAINMENT LICENSE



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# HB16-1439 – Lodging & Entertainment License

**Beginning August 10, 2016, the State Licensing Authority will no longer issue a tavern liquor license to businesses that do not fit the definition of a tavern as defined in section 12-47-103(38), C.R.S.**

## Definition

A Lodging & Entertainment (L&E) liquor license pursuant to section 12-47 426, C.R.S. can be issued to:

- Lodging Facility - the primary business of which is to provide the public with sleeping rooms and meeting facilities; or
- An Entertainment Facility – the primary business of which is to provide the public with sports or entertainment activities.

## Fees

License Fees

- \$75.00 – State
- \$500.00 – Local (\$425 of which is paid to the state for the old age pension fund)

Registered Manager fees: up to \$75.00 (both local and state)

# OPERATION OF LICENSE

- Can sell alcohol beverages by the drink only to customers for on-premises consumption.
- Shall have sandwiches and light snacks available for consumption on the premises during business hours, but need not have meals available.
- During a calendar year, an L&E licensee or registered manager may purchase not more than \$2000.00 of malt, vinous, and spirituous liquors from a retail license pursuant to sections 12-47-407 and 12-47-408, C.R.S.; or \$2000.00 of fermented malt beverage from a retail license pursuant to section 12-46-104(1)(c), C.R.S. An L&E liquor licensee shall retain evidence of each purchase, which will contain the date of purchase, the location where alcohol was purchased, a description of the alcohol beverage purchased, and the price paid for the alcohol beverage.
- Purchases of alcohol beverages for more than one L&E license shall be separate and distinct from any other L&E license.
- An L&E license may be allowed to be a part of a common consumption area pursuant to section 12-47-301(11)(e)(I), C.R.S.

# OPERATION OF LICENSE

It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in an L&E license, to conduct, own either in whole or in part, or be directly or indirectly interested in any other business licensed pursuant to articles 46 or 47, C.R.S., except for:

- Fermented Malt Beverage License, pursuant to section 12-46-104(1)(c), C.R.S.
- Beer and Wine License pursuant to section 12-47-401(1)(j), C.R.S.
- Hotel & Restaurant License pursuant to section 12-47-401 (1)(k), C.R.S.
- Tavern License pursuant to section 12-47-401(1)(l), C.R.S.
- Brew pub License pursuant to section 12-47-401(1)(m), C.R.S.
- Club License pursuant to section 12-47-401(1)(n), C.R.S.
- Arts License pursuant to section 12-47-401(1)(o), C.R.S.
- Racetrack License pursuant to section 12-47-401(1)(p), C.R.S.
- Public Transportation System License pursuant to section 12-47-401(1)(q), C.R.S.
- Optional Premises License pursuant to section 12-47-401(1)(r), C.R.S.
- Retail Gaming Tavern License pursuant to section 12-47-401(1)(s), C.R.S.
- Vintner's Restaurant License pursuant to section 12-47-401(1)(t), C.R.S.
- Distillery Pub License pursuant to section 12-47-401(1)(v), C.R.S.
- Lodging & Entertainment License pursuant to section 12-47-401(1)(w), C.R.S.
- Bed & Breakfast Permit pursuant to section 12-47-410, C.R.S.
- A financial institution referred to in section 12-47-308, C.R.S.

# REGISTERED MANAGER

- Each L&E licensee shall manage or have a separate and distinct manager for each license premises. Each L&E licensee shall register the manager for each licensed premises with the State and Local Licensing Authority. A registered manager cannot be registered for more than one L&E Facility license. Upon initial application, if the licensee decides to be the registered manager, they shall designate themselves as the registered manager on the initial license application. The state manager registration fee is waived for this designation; however, any future manager registration changes are subject to the state registration fee.
- An L&E licensee shall notify the state and local licensing authorities within five days when a registered manager ceases to manage the business. An L&E licensee shall designate a new registered manager within thirty days. Failure to report the change in registered manager is grounds for suspension of the license.

The L&E registered manager fee is payable to both the Local and State Licensing Authority. The Local Licensing Authority will check the character, record, and reputation of the registered manager. Currently, the state licensing registration fee is \$75.00.



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# CONVERSIONS

Upon renewal of a valid license or by August 10, 2017 (whichever is later), a tavern licensee that does not have as its principal business the sale of alcohol beverages may apply to the applicable Local Licensing Authority to convert an existing tavern liquor license:

- To an L&E liquor license; or
- If the tavern licensee does not have its principal business the sale of alcohol beverages and does not fit the definition of an L&E license, may convert to another retail license under article 47, C.R.S, if any, for which the person qualifies.
- A valid tavern license issued prior to August 10, 2016, that does not have its principal business the sale of alcohol beverages does not have to convert to a different liquor license and may continue to operate under the guidelines of all laws and rules pertaining to a tavern liquor license. However, upon transfer of such tavern liquor license after August 10, 2016, which does not meet the definition of a tavern, the ability to transfer the tavern liquor license will no longer exist and the applicant must apply for a new liquor license for which the person qualifies.

# CONVERSIONS

All alcohol beverage stock in a tavern liquor license converted to an L&E license may be used in the operation of an L&E license. If a tavern license converts to a different license pursuant to section 12-47-412(9)(a), C.R.S, only the alcohol stock sold by the new licensee may convert. All other alcohol stock shall be lawfully removed from the licensed premises before the new license is approved.

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SB16-197 LIQUOR-  
LICENSED DRUGSTORES  
MULTIPLE LICENSES



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# STATUTORY WORKING GROUP

By August 1, 2016, convene a Liquor Industry Working Group consisting of several different stakeholder groups to:

- Develop an implementation process for grocery and convenience stores to apply for a license to sell malt liquor and fermented malt beverages contain at least one-half percent alcohol by volume starting January 1, 2019.
- Analyze the impact that removing the alcohol content limit on fermented malt beverages will have on the alcohol beverage industry as a whole, as well as on current retail licenses.
- Consider other legislative, regulatory, or administrative changes necessary to promote the three-tiered distribution system in Colorado.
- Examine and make recommendations regarding law governing tastings conducted on retail premises and the ability of retail liquor stores to sell growlers containing malt liquors.

The first meeting was held on August 1, 2016. More information about this working group and its progress is available on our website at [www.colorado.gov/enforcement/liquor](http://www.colorado.gov/enforcement/liquor). There is section where you can subscribe to emails lists for different topics, including the SB16-197 Statutory Working Group. *(Pages 9 -12, section 12-47-109, C.R.S.)*

# SB16-197 LAWS EFFECTIVE JULY 1, 2016

## 3.2% Beer/Fermented Malt Beverage License

Licensees that sell fermented malt beverages are not allowed to sell fermented malt beverage between the hours of 12:00 a.m. 8:00 a.m. (Page 22, section 12-47-901(c), C.R.S.)

## Liquor-Licensed Drug Store (LLDS)

No new licenses can be issued for a LLDS within 1500 ft of another retail liquor license for off-premises sales in a jurisdiction with a population > 10,000. (Page 2 - section 12-47-408(1)(a)(I)(A), C.R.S). Note: The Division has determined this new law applies to LLDS licenses issued on or after July 1, 2016, so current applications to the local and state licensing authorities **must be issued** prior to July 1, 2016 if they are within 1500 ft. of another retail liquor license for off-premises sales.

No new licenses can be issued for an LLDS within 3000 ft of another retail liquor license for off-premises sales in a jurisdiction with a population < 10,000 (Page 2 - section 12-47-408 (1)(a)(I)(B), C.R.S)Note: The Division has determined this new law applies to LLDS licenses issued on or after July 1, 2016, so current applications to the local and state licensing authorities **must be issued** prior to July 1, 2016 if they are within 3000 ft. of another retail liquor license for off-premises sales.

# SB16-197: LLDS *LAWS EFFECTIVE JULY 1, 2016*

A LLDS cannot sell malt, vinous, or spirituous liquors to consumers at a price that is below the liquor-licensed drugstore's cost to purchase the malt, vinous or spirituous liquors. *(Page 4, section 12-47-408(2)(a)(II), C.R.S.)*

A LLDS cannot allow consumers to purchase malt, vinous, or spirituous liquors at a self-checkout or other mechanism that allows the consumer to complete the alcohol beverage purchase without assistance from and completion of the transaction by an employee of the liquor-licensed drugstore. *(Page 4, section 12-47-408(2)(a)(III), C.R.S.)*

A LLDS cannot sell clothing or accessories imprinted with advertising, logos, slogans, trademarks, or messages related to alcohol beverages. *(Page 5, section 12-47-408(2)(a)(V), C.R.S.)*

A LLDS cannot convert to a Retail Liquor Store. *(Page 6, section 12-47-408(5), C.R.S. - removed)*

A LLDS shall not store alcohol beverages off the licensed premises. *(Page 6, section 12-47-408(6)(a), C.R.S.)*

Wholesale deliveries to a LLDS shall be made through a common carrier, a contract carrier or on vehicles owned by the wholesaler. *(Page 6, 12-47-408 (6)(b)(I), C.R.S.)*

# SB16-197: LLDS *LAWS EFFECTIVE JULY 1, 2016*

Wholesale deliveries to a LLDS shall be made only to the business address of the LLDS. *(Page 6, 12-47-408(6)(b)(II), C.R.S.)*

A LLDS must obtain and maintain a certification as a Responsible Alcohol Beverage vendor in accordance with section 12-47-1001, C.R.S. *(Page 7, 12-47-408(7)(b), C.R.S.)*

An employee of a LLDS who is under 21 shall not deliver or otherwise have any contact with liquor offered for sale on, or sold and removed from, the licensed premises. *(Page 7, section 12-47-408(7)(c), C.R.S.)*

No transfer of an LLDS shall be completed without a filing with local licensing authority that all debt has been paid to the wholesaler. *(Page 16, section 12-47-303(1)(d), C.R.S.)*

Must verify consumers who purchase alcohol beverages are at least 21 years of age with valid identification as defined by rule. The exception is if a person who is, or reasonably appears to be, over 50 years of age. *(Page 23, section 12-47-901(10)(a), C.R.S.)*

# SB16-197: Retail Liquor Store (RLS)

## ***LAWS EFFECTIVE JULY 1, 2016***

A LLDS cannot convert to a RLS. *(Page 6, section 12-47-408(5), C.R.S.)*

Up to 20% of gross proceeds can come from the sale of non-alcohol products. *(Page 12, section 12-47-103(31), C.R.S. and page 18, section 12-47-407(1)(b), C.R.S)*

A RLS who had a license on or before January 1, 2016 can change location to anywhere in the state but the Local Licensing Authority (LLA) must give their approval and the change must occur within three years of the request. Transfers within the same jurisdiction are not subject to the 1,500/3,000 foot requirement. *(Pages 13 and 14, sections 12-47-301(9)(a)(II) and 12-47-301(9)(b)(II), C.R.S., respectively)*

No transfer of a RLS shall be completed without a filing with local licensing authority that all debt has been paid to the wholesaler. *(Page 16, section 12-47-303(1)(d), C.R.S.)*

# SB16-197: Retail Liquor Store (RLS)

## ***LAWS EFFECTIVE JULY 1, 2016***

No new liquor license for RLS can be issued within 1500 ft of another retail licensed location for off premises sales in a jurisdiction with a population > 10,000. *(Page 18, section 12-47-407(1)(a)(II)(A), C.R.S.)*. Note: The Division has determined this new law applies to RLS licenses issued on or after July 1, 2016, so current applications to the local and state licensing authorities **must be issued** prior to July 1, 2016 if they are within 1500 ft. of another retail liquor license for off-premises sales.

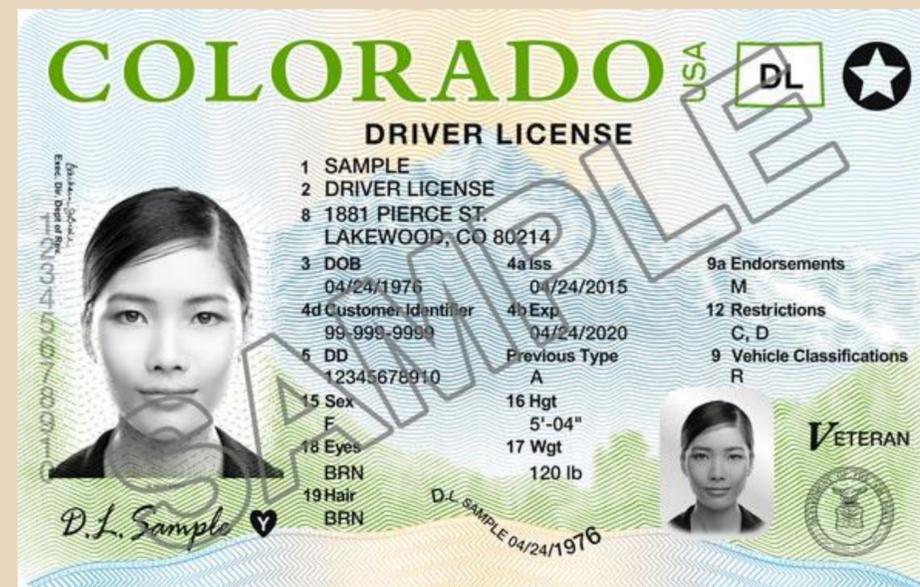
No new liquor license for RLS can be issued within 3000 ft of another retail licensed location for off premises sales in a jurisdiction with a population < 10,000. *(Page 18, 12-47-407(1)(a)(II)(B), C.R.S.)*. Note: The Division has determined this new law applies to LLDS licenses issued after July 1, 2016, so current applications to the local and state licensing authorities **must be issued** prior to July 1, 2016 if they are within 3000 ft. of another retail liquor license for off-premises sales.

An employee of a RLS who is under 21 shall not deliver or otherwise have any contact with liquor offered for sale on, or sold and removed from, the licensed premises. *(Pages 22 and 23, section 12-47-901(5)(p)(III))*

# SB16-197: Retail Liquor Store (RLS)

## ***LAWS EFFECTIVE JULY 1, 2016***

Must verify consumers who purchase alcohol beverages are at least 21 years of age with valid identification as defined by rule. The exception is if a person who is, or reasonably appears to be, over 50 years of age. (*Page 23, section 12-47-901(10)(a), C.R.S.*)



# SB16-197 LAWS EFFECTIVE JULY 1, 2016

## **Wholesalers**

Shall use best efforts to make available to licensed retailers each brand of alcohol beverage that wholesaler is allowed to distribute. Can establish reasonable allocation procedures when demand is greater than supply.  
*(Page 17, section 12-47-406(4), C.R.S.)*

## **All Retail Licensees**

No transfer shall be completed without a filing with local licensing authority that all debt has been paid to the wholesaler. *(Page 16, section 12-47-303(1)(d), C.R.S.)*

## **Taverns**

Age of employees – No person under the age of 21 may sell malt, vinous or spirituous liquor  
*(Page 22, section 12-47-901(5)(p)(II), C.R.S.)*

# LAWS EFFECTIVE

JANUARY 1, 2017



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# SB16-197 *LAWS EFFECTIVE JANUARY 1, 2017*

## **Liquor-Licensed Drugstore**

To qualify for an additional license for a liquor-licensed drugstore (LLDS) or retail liquor store (RLS) that was a LLDS as of February 21, 2016:

### Entity

- Single application to transfer ownership of at least two (2) RLS that were licensed or applied for a license on or before May 1, 2016
- Change of location of at least one of the RLS (*page 2, section 12-57-408(1)(b)(I), C.R.S.*)

# SB16-197: LLDS *LAWS EFFECTIVE JANUARY 1, 2017*

## **Requirements For Approval of Additional Licenses**

- Any RLS within 1,500 feet of the new LLDS premises must be purchased for a jurisdiction >10,000. *(page 3, section 12-47-408(1)(b)(I)(A), C.R.S.)*
- Any RLS within 3,000 feet of the new LLDS premises must be purchased for a jurisdiction <10,000. *(page 3, section 12-47-408(1)(b)(I)(A), C.R.S.)*
- The two (2) RLS that are transferred must first come from the jurisdiction where the LLDS premises is located. *(page 3, section 12-47-408(1)(b)(I)(A), C.R.S.)*
- If there are none or one (1) RLS in the jurisdiction, the one (1) or two (2) RLS licenses to be transferred must be from a jurisdiction adjacent to the jurisdiction where the LLDS premises is located *(page 3, section 12-47-408(1)(b)(I)(A), C.R.S.)*

# SB16-197:LLDS LAWS EFFECTIVE JANUARY 1, 2017

Distance Measurement: Calculated at a straight-line sight between the center of the principal doorways of the premises as designated by the applicant/licensee. *(page 3, section 12-47-408(1)(b)(II), C.R.S.) and by regulation to be adopted*

Local Licensing Authorities shall consider the reasonable requirements of the neighborhood and desires of the audit inhabitants. *(pages 3 and 4, section 12-47-408(1)(b)(III), C.R.S.) and by regulation to be adopted*

Provide evidence to the State and Local Licensing Authority that at least twenty percent (20%) of the licensees gross annual income derived from total sales during the prior twelve months at the drugstore premises for which a new or renewal license is sought is from the sale of food as defined by the State Licensing Authority by rule. *(page 4, section 12-47-408(1)(b)(IV)(A), C.R.S.) and by regulation to be adopted*

*Be open to the public, (page 4, section 12-47-408(1)(b)(IV)(B), C.R.S.) and by regulation to be adopted*

# SB16-197:LLDS LAWS EFFECTIVE JANUARY 1, 2017

Cannot purchase malt, vinous or spirituous liquor on credit and shall effect payment upon delivery. *(page 5, section 12-47-408(2)(b), C.R.S.) and by regulation to be adopted*

Can have financial interest in additional liquor-licensed drugstores

- Must have been licensed on or before January 1, 2016
- On or after January 1, 2017 – may have up to four (4) additional licenses (total of 5)
- On or after January 1, 2022 – may have up to seven (7) additional licenses (total of 8)
- On or after January 1, 2027 – may have up to twelve (12) additional licenses (total of 13)
- On or after January 1, 2032 – may have up to nineteen (19) additional licenses (total of 20)
- On or after January 1, 2037 – may have unlimited number of licenses *(pages 5 and 6, section 12-47-408(4)(b)(IV), C.R.S.)*

Manager's Permit (applies to all new LLDS issued after January 1, 2017)

Issued by the State licensing Authority to a person who will be in actual control of the LLDS's alcohol beverage operation. *(page 7, section 12-47-425(1), C.R.S. and by upcoming rule)*

# SB16-197:LLDS LAWS EFFECTIVE JANUARY 1, 2017

## Manager's Permit (cont.)

Manager shall be subject to a background investigation by the State Licensing Authority

- Not been convicted of a crime involving the sale or distribution of alcohol within eight (8) years prior to the date of application
- Not been convicted of a felony within the five (5) years prior to the date of application
- At least 21 years of age
- Has not had a manager's permit or similar permit revoked within three (3) years prior to the date of application (*page 7, section 12-47-425(2), C.R.S.*)

## State Fees

\$100.00 – Manager's permit

A manager may not have a direct or indirect interest in a:

- Wholesaler license
- Limited winery license
- Importer license
- Manufacturers license
- Any business licensed under article 47, of title 12, C.R.S., that has had its license revoked by the state licensing authority within eight (8) prior to the date of application (*page 8, section 12-47-425(3), C.R.S.*)

# SB16-197: RETAIL LIQUOR STORE

## *LAWS EFFECTIVE JANUARY 1, 2017*

May have a financial interest (indirectly or directly) in additional retail liquor stores:

- Must have been licensed on or before January 1, 2016
  - The license holder must be a Colorado resident (as defined by rule)
  - On or after January 1, 2017 – may have up to one (1) additional license (total of 2)
  - On or after January 1, 2022 – may have up to two (2) additional licenses (total of 3)
  - On or after January 1, 2027 – may have up to three (3) additional licenses (total of 4)
- (pages 19 and 20, section 12-47-407(4)(b)(III), C.R.S.)*



# SB16-197

## ***LAWS EFFECTIVE JANUARY 1, 2017***

### **Local Fees**

Up to \$1,000 (*page 21, section 12-47-505(4)(a)(V), C.R.S.*)

## ***LAWS EFFECTIVE JANUARY 1, 2019***

### **Fermented Malt Beverages**

The definition changes to eliminate the maximum amount of alcohol.  
(*page 9, section 12-46-103(1)(a), C.R.S.*)

### **Malt Liquors**

The definition changes to change the minimum alcohol content to one-half of one percent (.5%) by volume. (*Page 12, section 12-47-103(19), C.R.S.*)

# SB16-197

## ***LAWS EFFECTIVE JANUARY 1, 2019***

### **Rules**

It eliminates the mandate for the State Licensing Authority to promulgate rules concerning the testing of alcohol content of malt liquor and fermented malt beverages. *(page 13, section 12-47-202(2)(a)(I)(S), C.R.S.)*

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# GENERAL Q&A



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# SB 16-197 GENERAL Q&A

**Q:** When can a RLS or LLDS apply for the additional licenses?

**A:** The LED will have the forms available in November 2016

**Q:** Can an owner of an RLS or LLDS sign a contract to start working on an additional license?

**A:** Yes. But the license cannot be issued prior to legal limits

**Q:** Can a retail liquor store transition to a Licensed Drug Store?

**A:** No

**Q:** Are there any restrictions on what a retail liquor store can now sell under the new regulations?

**A:** No (except for marijuana or other items prohibited by law or rule)

**Q:** Is there any notification to wholesalers that needs to be provided?

**A:** Yes – by rule - Affidavit



# SB 16-197 GENERAL Q&A

**Q:** Many liquor stores are in a shopping centered anchored by a chain grocery store. With the distance requirements, would that mean none of those grocery stores can obtain the new license as the liquor store had one first?

**A:** In order for the grocery store to sell all three types of alcohol, there cannot be a RLS within 1,500/3,000 feet.

**Q:** Are the license fees for the Lodging and Entertainment license wrong on the memo? It says state only charges \$75, but local will charge \$500--could that possibly be correct??

**A:** The state fee on the application form also includes 85% of the local fee that is paid to the old age pension fund. So, the fees as listed on our forms are correct since they reflect this collection.



# SB 16-197 GENERAL Q&A

**Q:** I am a RLS owner who would like to purchase my competitor's liquor store, which is 1900 feet away from my liquor store in a town of 2000 people. We both have liquor licenses from 2004 or earlier. There are no other liquor stores within 9 miles. Would it be possible, since the license is not new but to be transferred, to waive, grandfather or otherwise interpret the new law to allow ownership of both liquor licenses?

**A:** Yes. A transfer of a retail liquor store is not considered a new license.

**Q:** Why are managers not allowed to have managed another location in the past 3 years? Also, what is a manager permit process/documentation?

**A:** The three-year time limit applies to revocations of licenses. The process for the manager's permit will be a separate form provided by the State Licensing Authority.



# SB 16-197 GENERAL Q&A

**Q:** Does the distance requirement pertain to 3.2% beer licenses?

**A:** No

**Q:** What Cities and Counties do you anticipate will get the first LDS licenses?

**A:** Do not have any specific information

**Q:** What is the Division's interpretation of "wholesalers?"

**A:** Includes limited wineries, brewpub, distillery pubs and vintner's restaurants

**Q:** Did the age of employees change for 3.2% beer licenses?

**A:** No



# SB 16-197 GENERAL Q&A

**Q:** Is a license purchased under SB16-197 be allowed to be transferred outside the area it is being used?

**A:** No, just RLS are allowed to change their location outside the jurisdiction

**Q:** For Retail Liquor Store licensees who have located their RLS inside of a grocery store but have a separate POS and licensed premise to comply with the past laws, what is the process to change their licensing so that they can move their alcohol into the grocery store and have co-mingled POS systems selling both alcohol and groceries?

**A:** Depends on several factors and business models. A RLS can sell anything as long as the gross sales for non-alcohol products are <20%.

**Q:** Is a certificate provided for this class?

**A:** No



# SB 16-197 GENERAL Q&A

**Q:** If a movie theater or other business wants to do the Lodging and Entertainment License, is the process as strenuous as a New Liquor License or Liquor License Transfer? Will there be any fees associated with changing to the appropriate license now that the category has been created?

**A:** Very similar process as a tavern license

**Q:** Do all eligible stores have to get the new license or can they continue to keep their old license type?

**A:** There is no mandate to get a new license and they can keep their license. If a LLDS or RLS wants additional licenses, they must then apply for a new license.

**Q:** On January 1, 2019, will the fermented malt beverage licenses need to be converted to a different license in order to sell any type of beer?

**A:** No, the only thing that will change is the definition. They will still have a fermented malt beverage license and will be able to sell products under the new definition of fermented malt beverages. Same applies to the malt liquor licenses.



# SB 16-197 GENERAL Q&A

**Q:** Does the purchase of a store with a protected radius by either an existing licensee or a currently unlicensed party retain that protection with the new owner?

**A:** A RLS that is transferred is still protected

**Q:** Can the owners of an existing liquor licensed store buy another existing store within its own radius which is also within the radius of a third existing liquor store?

**A:** Yes, transfers of RLS are not considered the issuance of a new license.

**Q:** Will there be any allowance for transfer of product between two liquor stores owned by the same individual or entity?

**A:** No. All liquor licenses are independent and can only order for themselves and cannot transfer stock to another licensee, even if they own it.



# SB 16-197 GENERAL Q&A

**Q:** Can one corporate entity own both a liquor licensed pharmacy and a retail liquor license in different locations? Or does owning one or more liquor licensed pharmacies preclude that corporate entity from holding any other type of liquor license?

**A:** Financial interest/control between a liquor-licensed drugstore and a RLS are is prohibited. A person cannot own both.

**Q:** Does the alcohol stock transfer from the RLS being converted to a LLDS?

**A:** Yes



# SB 16-197 EXAMPLES

## **Example #1:**

**ABC LLC owns a LLDS (License A) and wants to add another LLDS (License B). At the new location (B) they must prove in the last 12 months, 20% of their gross sales (at B) was from the sale of food. They cannot purchase alcohol on credit and cannot store alcohol outside their premises. They must have a permitted manager at store (B) at all hours the store is open. None of this is required for store A.**

## **Example #2:**

**A company owns a chain of stores that do not have a LLDS license (ex: Walgreens). Walgreens can apply and receive one LLDS license and is not able to expand their businesses because of SB16-197. Only LLDS licensed on or before January 1, 2016 can have additional LLDS licenses.**



# SB 16-197 EXAMPLES

## **Example #3:**

**Ken's Pub has a tavern license that does not fit the definition of a tavern or a lodging and entertainment license, but is grandfathered in due to HB16-1439. Five years later, Ken wants to sell the business and move to Arizona. Given there is no provision for the conversion after 1 year (maximum), the new owner must apply for a new license.**

## **Example #4:**

**XYZ Corporation owns a RLS. They want to expand and purchase another RLS. They can build another location as long as it is not within the distance requirements set by law; or they can purchase an existing license via the transfer process/change of corporate structure process.**



# SB 16-197 EXAMPLES

## **Example #5:**

**Amanda's Nail Salon applied for a tavern license but it was not issued before July 1, 2016, since Amanda's Nail Salon does not fit the definition of either tavern or lodging and entertainment license, she must apply for a different license that legally applies to her business.**

## **Example 6:**

**Luis Lounge wants to sell his business and decides to transfer his company to Bob's Bar. Luis gives the local licensing authority evidence his wholesalers are paid. The LLA does not have the obligation to investigate to ensure the accuracy of the evidence, but can request additional documentation if needed.**



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# THANK YOU!

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